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cyber-attack is estimated to be \$120,000, 83% of SMBs do not have any money reserved to get back to business as usual should a breach occur. A quarter were unaware it ...

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Small businesses are leaving themselves exposed to significant financial risk from cybercrime by not having adequate measures in place to recover in the event of a cyber-attack. That's according to the findings of small business insurance specialist

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hardware and software. Few have considered reputation management (6%) or customer service (5%) and less than 10% stated that they had sufficient funds to pay for legal fees should a customer sue. A quarter (23%) have simply estimated what would need to be spent if an attack occurred.

Additionally, 54% of SMBs do not have a plan in place to deal with a cyber-attack, with 20% stating that they would react if and when an incident occurred.

Lack of understanding leaving SMBs vulnerable

More than half (52%) of small business owners think it is unlikely their company will be a victim of a cyber-attack. 6% think it will never happen.

"Cyber insurance isn't just for online firms. Just opening an email can threaten your business," said Maureen Brogie, Senior Advisor, InsuranceBee. "Cyber-attacks on SMBs are on the rise, but few have a solid contingency plan in place, let alone insurance."

Although many small business owners admit to being unprepared, 25% believe a cyber-attack is a matter of 'when', not 'if', with a quarter also planning to 'do more to prevent cyber-attacks'. Despite being aware of the risks, 91% do not have a cyber liability policy, and 54% stated they do not know what a cyber policy covers.

"It's positive that SMB owners are beginning to take note of the damage a cyber-attack can do to their business, but what's clear from our survey is that they don't fully understand the benefit of having a cyber insurance policy," said Brogie.

"Educating SMBs on what a cyber policy can protect them from is crucial before they see the value in purchasing it, and this is something the insurance industry needs to address. Cybercriminals will always be looking for new ways to exploit vulnerabilities. Cyber insurance can speed up recovery, and protect a business from loss of income and reputational damage."

A summary of findings from InsuranceBee's Cyber Survey is available at:

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